

SUBCOMMITTEE NO. 3

Agenda

Chair, Senator Elaine Alquist
Senator Dave Cogdill
Senator Alex Padilla



Agenda – Part “C”

Monday, May 21, 2007
9:00 a.m.
Room 3191

Consultant, Brian Annis

Labor Agency Departments

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Department Budgets Proposed for Consent / Vote-only**7120 California Workforce Investment Board****Vote Only Issue 1: Federal Funds Reduction (May Revision Finance Letter)**

Description: The Administration requests a reduction to the California Workforce Investment Board (CWIB) budget of \$126,000 to reflect lower-than-anticipated federal funding in the Workforce Investment Act (WIA) program. With this adjustment, the CWIB budget would be \$4.4 million. The total WIA funding reduction from the federal government is \$35.0 million with the balance of the reduction affecting the Employment Development Department (EDD) budget (see also Issue 5 in the EDD section of this agenda).

Staff Recommendation: Approve this May Revision Finance Letter to appropriately budget available federal funds.

Department Budgets Proposed for Discussion and Vote

7100 Employment Development Department

Vote Only Issue 1: Program Benefit Adjustments (May Revision Finance Letter)

Description: At the April 12, 2007, hearing, the Subcommittee heard from Employment Development Department (EDD) Director Patrick Henning on the budgeted levels for benefit payments related to the Unemployment Insurance Program, the Disability Insurance Program, and the School Employees Fund. Every May, EDD provides a revised budget request to adjust funding for the new estimates of claims and payments. The following changes are requested this year:

- **Unemployment Insurance Program and Benefit Adjustments**—It is requested that the budget be increased by \$4.3 million and 50.6 personnel years to reflect a projected increase in state operations for the Unemployment Insurance (UI) Program. Additionally, it is requested that the budget be increased by \$183.0 million to reflect a projected increase in UI benefit payments.
- **Disability Insurance Program and Benefit Adjustments**—It is requested that the budget be decreased by \$9.4 million and 97.7 personnel years to reflect a projected decrease in state operations for the Disability Insurance (DI) Program. It is also requested that the budget be decreased by \$60.3 million to reflect a projected decrease in Disability Insurance benefit payments.
- **School Employees Fund Adjustments**—It is requested that the budget be decreased by \$4,077,000 to reflect a projected reduction in benefit payments from the School Employees Fund.

Staff Comment: None of these changes affects the General Fund – all costs in these areas are funded by employer and employee taxes. If estimates of benefit payments turn out to be too low, budget bill language allows for upward revision of the appropriations with approval of the Director of Finance and notification to the Legislature. If estimates of benefit payments turn out to be too high, the January 2008 Governor's Budget will include proposed reductions to 2007-08 expenditures.

Staff Recommendation: Approve the May Finance Letter to update the budget for revised estimates of benefit claims and payments.

Vote Only Issue 2: Employment Training Panel Funding (Governor's Budget)

Description: The Administration proposes funding for the Employment Training Panel (ETP) at \$59.2 million (from the Employment Training Fund) – about \$1.0 million more than the 2006-07 appropriation. The remainder of revenue received in the Employment Training Fund (about \$35.0 million) is proposed for expenditure in the CalWORKs program. The Employment Training Fund dollars expended in CalWORKs create a General Fund savings because absent those dollars, CalWORKs would need an equivalent General Fund augmentation.

Background / Detail: The Employment Training Panel was created in 1982 to improve the skills of California's workforce and retain businesses in the state. The ETP is funded through the Employment Training Tax, a special tax which is levied on employers who participate in the Unemployment Insurance Program. Historically, revenue has annually averaged \$70 million to \$100 million. The ETP program primarily funds "employer-focused" job training – more than 90 percent of ETP supports training of incumbent workers. The Employment Training Fund money transferred to CalWORKs supports job training services for CalWORKs clients. The following table shows how Employment Training Fund money has been distributed between ETP and CalWORKs in recent years (\$ in millions).

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08*
ETP Appropriation	\$75.8	\$76.0	\$76.0	\$18.2	\$44.0	\$37.8	\$58.2	\$59.2
Percent to ETP	65%	51%	65%	22%	48%	44%	75%	63%
CalWORKs Appropriation	\$30.0	\$61.7	\$30.0	\$56.4	\$40.0	\$37.9	\$20.0	\$35.0
Percent to CalWORKs	26%	41%	26%	68%	43%	44%	25%	37%

* Proposed

Staff Comment: Last year, the Legislature increased the ETP appropriation by \$12.9 million, and backfilled CalWORKs with a General Fund augmentation of the same amount. As the chart above indicates, that action in combination with an augmentation already built into the Governor's Budget produced a year-over-year funding increase of \$20.4 million, or 54 percent. At the last hearing, representatives of labor and business advocated for additional EPT funding. The Legislature may want to consider an augmentation in future years, but given last year's increase and continued pressure on the General Fund, staff recommends funding be approved as budgeted. Since this issue was previously discussed at the April 12 hearing, staff recommends this be a "vote-only" issue.

Staff Recommendation: Approve the Employment Training Panel as budgeted.

Vote Only Issue 3: Tax Sharing Ratio (BCP #2 and April Finance Letter #2)

Description: The Administration requests a funding shift for tax collection workload. The shift would result in a net-zero change in expenditures, but would increase General Fund expenditures by \$13.5 million and reduce the Unemployment Compensation Disability Fund and Employment Training Fund expenditures by \$11.1 million and \$2.4 million respectively. EDD collects taxes in the following areas: Unemployment Insurance, Disability Insurance, Employment Training, and employer-withholdings for Personal Income Tax. This proposal would shift the funding for the tax-collections positions to reflect the pro rata workload for each tax. The April Finance letter is a technical correction related to this proposal.

Background / Detail: Given the \$13.5 million General Fund cost of this proposal, staff has asked EDD what would happen if this shift is delayed a year or more. There was initially some discussion of federal sanctions, but staff now understands from EDD that the federal government does not object to the current funding allocation. The benefit of this proposal is an improvement to state accounting.

Staff Recommendation: Reject this proposal. If the Subcommittee approves the staff recommendation, it may want to use the General Fund savings of \$13.5 million to assist in fully or partially restoring funding to the Job Services Program (see the issue on the following page). The Tax Sharing Ratio change is a good proposal, but may be a lower-priority than restoring the Job Services Program cuts. The Administration should resubmit this proposal in a future budget.

Issues for Discussion and Vote:**Issue 4: Job Services Program Cut (BCP #5)**

Description: The Administration requests a \$27.1 million cut to the Job Services Program. This cut would remove all State funding (EDD Contingent Fund) from the Job Services Program and eliminate 271 positions. The program would continue at a reduced level of activity using \$138.3 million in federal funds and \$14.8 million in reimbursements. This proposal represents a cut of about 25 percent to the services that EDD provides at job service centers.

Background / Detail: Since 1983, the EDD Contingent Fund has been utilized to supplement federal funds in supporting the Job Services Program. The Department indicates that the job service centers annually provided services to more than one million job seekers and 53,000 employers. At the last hearing, EDD testified that if this proposal was approved, as many as 175,000 job seekers might not get serviced at the job service centers and would alternatively have to use EDD services on the internet. Many job services centers are cooperative ventures with local entities, including local Workforce Investment Boards and county CalWORKs offices. In last year's budget, the Administration proposed, and the Legislature approved, an augmentation in EDD Contingent Funds of \$6.9 million to maintain 93.0 positions that would have otherwise been eliminated due to federal cuts.

LAO Recommendation: In the *Analysis of the 2007-08 Budget Bill*, the LAO withholds recommendation pending receipt of supporting information from the Administration. On April 5, 2007, EDD provided the LAO and Committee Staff a detailed Job Services Reduction Plan that indicates positions eliminated by region and office. Attachment I to this agenda is the EDD summary table for position cuts at each office (excluding the 54 central administrative positions that would also be cut).

Staff Comment: Aside from concerns raised about the affect of this proposal on job seekers, concerns have also been raised that this proposal would result in higher State costs in other budget areas due to fewer job services to CalWORKs recipients and parolees. The Subcommittee may want to consider adding the following budget bill language to prioritize CalWORKs and parolees services with the goal of reducing costs in the CalWORKs and corrections areas:

Add Provision 4 to Budget Bill, Item 7100-001-0185

4. *It is the intent of the Legislature that the provision of employment and training services to CalWORKs clients and parolees be considered a priority by the Employment Development Department, the State Department of Social Services, local workforce investment areas, and other One-Stop Career Center partners. The EDD shall report to the Joint Legislative Budget Committee by April 1, 2008, on the employment services provided to CalWORKs recipients and parolees at the One-Stop Career Centers from July 1, 2007 through January 31, 2008.*

Since this issue was discussed extensively, including public testimony, at the April 12 hearing, the Subcommittee may want to limit new testimony on this issue.

Questions:

1. LAO, EDD, please comment on the budget bill language suggested by staff.

Staff Recommendation: Reject the proposed cut to the Job Services Program (restore \$27.1 million and 271 positions) and adopt the above budget bill language.

Issue 5: Workforce Investment Act - Federal Funding Reduction (May Revise)

Description: As the EDD Director indicated at the April 12 hearing, the federal government recently reduced the Workforce Investment Act (WIA) allocation to California by \$35.0 million, reducing WIA funding for the state from \$413 million to \$378 million. As a result of this funding reduction, EDD submitted a May Finance Letter to reduce local assistance funding to local Workforce Investment Boards by \$23.7 million and to reduce the state operations component by \$11.2 million and 6.6 personnel years. A subcomponent of the \$11.2 reduction is a reduction of \$5.3 million to the “15 Percent Discretionary Funds” (Discretionary) – for remaining Discretionary funding of \$56.7 million. The Discretionary funds support a wide range of workforce development services such as nurse education, parolee services, and youth programs. Attachment II to this agenda provides detail on the proposed use of Discretionary Funds in the Governor’s Budget and the May Revision, and shows how the Administration proposes to reduce and/or shift funding in response to the federal funding cut.

Background / Detail: Under federal law, 85 percent of WIA funds are allocated to local Workforce Investment Boards for employment and training services. The remaining 15 percent (about \$56.7 million) is available for State discretionary purposes. In the May Revision, EDD has included a new \$2.8 million program titled “At Risk/Youthful Offenders Gang Prevention.” This is the only initiative in the proposal that the Legislature has not previously approved.

LAO Comments: The Legislative Analyst spoke with EDD about the proposed “At Risk/Youthful Offenders Gang Prevention” program and indicates that similar ongoing WIA-funded programs aimed at youth and ex-offenders appear to have garnered positive results that include employment, decreased recidivism, and collaborations with probation agencies.

Questions:

2. LAO, please briefly summarize the changes proposed in the May Revision.
3. EDD, please outline the new proposed program called “At Risk/Youthful Offenders Gang Prevention” program.
4. EDD, please comment on the new program.

Staff Comment: The WIA Discretionary Program supports many valuable programs in a broad range of areas. It is unfortunate that the federal government is reducing funding for these programs. The new proposed “At Risk/Youthful Offenders Gang Prevention” program appears to have merit, and the proposed allocation of the federal government’s cuts seem reasonable.

Staff Recommendation: Approve the May Revision request.

7350 Department of Industrial Relations**Vote Only Issue 1: Special Fund Loan (May Finance Letter)**

Description: The Administration requests authority for a loan, not to exceed \$13.0 million, from the Workers' Compensation Administration Revolving Fund to the Targeted Inspection & Consultation Fund. Proposed budget bill language would require that the loan be repaid within one year.

Background / Detail: The Targeted Inspection and Consultation Fund (TICF) primarily supports the California Occupational Health and Safety Administration (Cal/OSHA) in its statutory requirement to target employers in high hazardous industries with the highest incidence of preventable occupational injuries and illnesses and workers' compensation losses. Revenue comes from a special assessment on those high-risk employers. Program revenues in 2006-07 have fallen from the anticipated level of about \$14 million to about \$9.0 million. If similar revenue losses continue into 2007-08, the fund balance would be fully exhausted sometime in 2007-08.

Staff Comment: The Department realizes that this is a short-term fix to a likely long-term problem and indicates that they will develop a plan to be included in the 2008-09 Governor's Budget to address the long-term funding issue. Information provided by the Department indicates that the Workers' Compensation Administration Revolving Fund has sufficient balances to support a loan of the requested size.

LAO Recommendation: Because there is not sufficient time to develop a comprehensive solution to this problem, the Legislative Analyst recommends approving the loan and related budget bill language as an interim measure. However, the LAO recommends amending the proposed budget bill language to add the following:

The department shall, by January 10, 2008, provide the Legislature with (1) a long-term plan to address the growing imbalance between the TCIF's revenues and expenditures and (2) a detailed loan repayment schedule.

Staff Recommendation: Approve the May Finance Letter, but amend the proposed budget bill language to include the LAO language.

Vote Only Issue 2: CalOSHA Supplemental Language Report (Staff Issue)

Description: Last year, the Legislature augmented the proposed budget by \$1.5 million (General Fund) and 16 positions to increase enforcement in the area of worker safety. Supplemental Report Language was also adopted requiring a report to the Legislature by January 10, 2007, that described staffing vacancy rates, a statistical comparison with other states, and other data. The Governor vetoed the augmentation and related staffing, but the report requirements remained in place.

Background / Detail: The report was submitted April 4, 2007. Staff did not have sufficient time to fully review the report prior to the April 12 Subcommittee hearing, when this issue was last discussed. Staff has since reviewed the report and, upon request, the Department has submitted additional detail comparing California's staffing to other states. The report includes some positive developments such as bringing vacancies down from 14 percent to 10 percent and reducing the case resolution time down from an average of 19 months to 17 months. However, the report also indicates that more work is ahead - to reduce case times from 17 months to 9 months and to further reduce vacancies. The additional data indicates that California's fatalities per 100,000 workers are 2.7 versus the national average of 4.1. However, California's injury and illness rate was 4.7 versus the national average of 4.6.

Staff Comment: Since this year's report indicates further improvements are needed, Staff recommends that the Subcommittee adopt a Supplemental Report Requirement for Cal/OSHA similar to the report adopted last year:

Cal/OSHA Enforcement. *On or before January 10, 2008, the Department of Industrial Relations shall submit a report on the following items to the Chair of the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature:*

- (a) The department's progress in filling vacant Cal/OSHA inspector positions and reasons for any remaining position vacancies;*
- (b) An update on how the level of authorized occupational safety and health inspectors per worker in California compares with comparable levels in other states;*
- (c) The latest figures comparing occupational injury, illness, and fatality rates in California with those of other states and the national average;*
- (d) Progress in addressing the backlog of cases for the Occupational Safety and Health Appeals Board, including proposals, if any, for legislative consideration to improve the board's efficiency and effectiveness; and*
- (e) A description of any occupational safety and health initiatives included in the 2008-09 Governor's Budget.*

Staff Recommendation: Adopt the above "placeholder" Supplemental Report Language for CalOSHA.

Vote Only Issue 3: Elevator, Ride, and Tramway Unit Budget Realignment (BCP #8 and Trailer Bill)

Description: The Administration requests a budget realignment and new fees that will result in a net General Fund savings of \$88,000 and new fees on public-sector owners of elevators, amusement rides, and tramways totaling approximately \$2.6 million. This issue was discussed at the April 12, 2007, hearing, but left open for further review of legal issues.

Detail/Background: The Elevator, Ride, and Tramway Unit is charged with inspecting public and private elevators, permanent amusement rides, portable amusement rides, and tramways. Current law prohibits the Department from charging public entities, so the cost of providing that service is currently born by a private fee payers and the General Fund. The Department indicates it is not permissible over the long-term to have private operators subsidize public operators, and the condition of the General Fund does not allow for an augmentation of \$2.2 million to fund the cost of service for public entities. The Administration proposes the following:

- Discontinue the current General Fund support for the Unit of \$448,000.
- Adopt budget trailer bill language to shift the deposit of fees collected (about \$360,000 annually) for inspection of private portable amusement rides and tramways from the General Fund to the Elevator Safety Account. (These first two bullets would result in net savings of \$88,000 for the General Fund).
- Adopt budget trailer bill language to allow the Unit to bill public sector entities for the cost of performing inspections of elevators, permanent amusement rides, and tramways. Total annual fees would be approximately \$2.6 million.
- Eliminate the Permanent Amusement Ride and Safety Fund and transfer the fund balance and deposit future revenues into the Elevator Safety Account.

Staff Comment: Questions were raised at the prior hearing concerning the legal ability of the State to charge the local governments for this inspection activity. Discussions with the Department since the last hearing suggest that the charges proposed to inspect local government facilities do not violate any provisions of the California Constitution.

Staff Recommendation: Approve the Administration's budget request including implementing trailer bill language.

Discussion / Vote Issues:**Issue 4: Statutorily-Required Reports (Staff Issue)**

Description: The Department has several overdue reports, and its overall record for submitting reports by statutory due dates is deficient. The table below shows the current status (as of May 18, 2007) of recently submitted and overdue reports. At the April 12 hearing, DIR Acting Director John Rea apologized for the Department's poor reporting record and indicated that he hoped to submit nine of the twelve overdue reports by today's hearing. Six of the twelve overdue reports have been submitted since the last hearing, with five of the reports being provided to staff at 12 noon on May 18. The reports submitted since the last hearing are highlighted in gray.

Report	Division	Statutory Due Date	Status
Report on the Uninsured Employers Benefits Trust Fund for FY 04/05 and 05/06	Workers' Compensation	November 1, annually	Submitted 12/19/06 (late)
Report on the Subsequent Injuries Benefits Trust Fund for FY 04/05 and 05/06	Workers' Compensation	November 1, annually	Submitted 12/19/06 (late)
Job Classifications of Employees Paid from the Uninsured Employers Fund	Workers' Compensation	November 1, annually	Submitted 3/16/07 (late)
Workers' Compensation Appeals Board Hearings Report--First Quarter, 2006	Workers' Compensation	Quarterly	Overdue
Workers' Compensation Appeals Board Hearings Report--Second Quarter, 2006	Workers' Compensation	Quarterly	Submitted 2/5/07 (late)
Workers' Compensation Appeals Board Hearings Report--Third Quarter, 2006	Workers' Compensation	Quarterly	Submitted 5/18/07 (late)
Workers' Compensation Appeals Board Hearings Report--Fourth Quarter, 2006	Workers' Compensation	Quarterly	Submitted 5/18/07 (late)
Division of Apprenticeship Standards and California Apprenticeship Council Report for 2005	Apprenticeship Standards	Annually	Submitted 2/20/07 (late)
2006 Supplemental Language Report - Cal/OSHA	Occupational Safety and Health	January 10, 2007	Submitted 4/3/07 (late)
Hazard Evaluation System and Service Report	Occupational Safety and Health	December 31, annually	Submitted 4/24/07 (late)
2005 Bureau of Field Enforcement Report	Labor Standards Enforcement	March 1, Annually	Overdue
Annual Conveyance Safety Program Report	Occupational Safety & Health	Annually	Submitted 5/18/07 (late)
Annual Pressure Vessel Safety Program Report	Occupational Safety & Health	Annually	Submitted 5/18/07 (late)

Report	Division	Statutory Due Date	Status
Crane Certification and Revenue Report	Occupational Safety & Health	Unspecified	Submitted 5/18/07 (late)
DOSH Division Report	Occupational Safety & Health	March 1, annually	Overdue
Division Report of Workers Compensation	Workers' Compensation	March 1, annually	Overdue
Workers Compensation Construction Carve-Out Report	Workers' Compensation	June 30, annually	Overdue
Workers Compensation Carve Out Report	Workers' Compensation	June 30, annually	Overdue

Detail/Background: The Department indicates it will implement appropriate monitoring to rectify the problem. Since some annual and quarterly reports do not have specific due dates in statute, Staff asked the Department if it would be reasonable to expect quarterly reports within 90 days of the quarter's end, and annual reports within 6 months of the year's end – DIR indicates that these are reasonable timeframes.

Questions:

1. DIR, please update the Subcommittee on the new processes the department has implemented to ensure reports are submitted by statutory due dates, and indicate when the remaining six overdue reports will be submitted.

Staff Comment: DIR has made some progress in reducing the number of overdue reports, but additional improvements are still needed. Due to the May 18 submittal of five of the reports, and because this is the week of the May Revision, staff did not have time to read the reports and could not brief Subcommittee members on the contents. The Legislature creates reporting requirements so it has the tools it needs to provide effective oversight, and late reports diminish the ability of the Legislature to be effective in this role.

Staff Recommendation: Direct staff to work with DIR in the summer and fall to monitor and review statutorily-required reports. Direct staff to brief the Subcommittee on this issue again prior to beginning the 2008-09 budget process and include this issue in next year's hearing agendas if warranted.

Issue 5: Division of Apprenticeship Standards - Audit Report / BCP #11

Description: A September 2006 Bureau of State Audits (BSA) report on the Department's Division of Apprenticeship Standards found multiple deficiencies. Budget Change Proposal #11 (which adds three new positions) corrects some, but not all of the deficiencies. This issue was discussed at the April 12 hearing and left open for further review.

Audit Findings:

1. *The division suspended program audits in 2004 and did not follow up on corrective action related to audits it had started.*
2. *The division has not resolved apprentice complaints in a timely manner, taking over four years in some cases to investigate the facts of complaints.*
3. *The division has not adequately monitored the apprentice recruitment and selection process. In particular, it has not conducted Cal Plan reviews since 1998.*
4. *Division consultants did not consistently provide oversight through attendance at committee meetings.*
5. *The division's staffing levels have not increased in step with legal obligations, and it has failed to document priorities for meeting these obligations for existing staff.*
6. *The division did not report annually to the Legislature for calendar years 2003 through 2005, and the annual reports contain grossly inaccurate information about program completion.*
7. *The department is slow to distribute apprenticeship training contribution funds. Only \$1.1 million of the roughly \$15.1 million that had been deposited into the training fund by June 30, 2005, has been distributed as grants.*
8. *The division does not properly maintain its data on the status of apprentices.*

Staff Comment: The Agency indicated, in a response letter, that they would work to implement all of the audit recommendations. However, not all issues are addressed in the Governor's Budget, and the Department indicates there would likely be further changes in the 2008-09 budget. Staff has continued to work with the Department to determine what additional budget changes would be appropriate to more fully respond to the program's deficiencies. The Department indicates it would need another two positions (in addition to the three positions requested in the BCP) to fully meet all statutory audit requirements. The Department indicated it intends to increase apprenticeship grant funding from \$1.2 million to \$3.0 million in 2008-09, but it was too late in the budget process to submit this request to the Department of Finance for 2007-08.

Staff Recommendation: Approve BCP #11, but add an additional 2 positions and \$225,000 so the Department can fully meet statutory audit requirements. Accelerate the Department's plan to increase apprenticeship grants by one year, by increasing the 2007-08 grant budget by \$1.8 million. (None of these costs are General Fund, and they appear sustainable at the current fee levels) Adopt placeholder Supplemental Reporting Language to require a report by March 1, 2008, on their vacancy level and audit activity. The report should also include an update on apprenticeship grants to date in 2007-08, including a list of recipients by category of training.

Attachment I – EDD Job Service Position Reduction Plan

	CURRENT STAFFING LEVEL							POSITION REDUCTIONS						
Statewide Total	857	98	23	19	11	60	1088	131	18	5	2	1	60	217
	EPR	EPMI	EPMI	EPMI	EDA	PI	TOTAL	EPR	EPMI	EPMI	EPMI	EDA	PI	TOTAL
Northern Administration	6	2	0	0	3	0	11	0		0	0	1	0	1
Region 1														
0330 Oakland	32	3	1	0		1	37	5	1	0	0	0	1	7
0690 Campbell	36	3	0	1		1	41	5	1	0	0	0	1	7
0960 Pleasant Hill	14	2	1	0		0	17	2	0	0	0	0	0	2
							95							16
Region 2														
0550 Mendocino-Lake	7	1	0	0		0	8	1	0	0	0	0	0	1
1290 North Bay Job Service	32	2	0	1		1	36	5	1	0	0	0	1	7
5040 San Francisco	33	3	0	1		1	38	5	1	0	0	0	1	7
1340 Eureka	6	0	1	0		0	7	1	0	0	0	0	0	1
							89							16
Region 3														
0590 Sacramento Midtown	36	3	0	1		2	42	5	0	0	0	0	2	7
0820 North Valley	17	1	1	0		3	22	3	0	0	0	0	3	6
1310 North Eastern Co.	8	2	0	0		0	10	1	1	0	0	0	0	2
1600 Roseville	27	2	1	0		1	31	4	0	0	0	0	1	5
							105							20
Region 4														
0450 Salinas	10	0	1	0		1	12	1	0	0	0	0	1	2
0620 Modesto	19	3	0	1		4	27	3	1	0	0	0	4	8
1750 Stockton	16	2	0	1		2	21	3	0	0	0	0	2	5
0470 Capitola	6	1	0	0		1	8	1	0	0	0	0	1	2
							68							17
Northern Total	305	30	6	6	3	18	368	45	6	0	0	1	18	70
LA/Ventura Administration	3	2	0	1	4	0	10	1	0	0	0	0	0	1
Region 5														
0100 San Fernando	22	3	0	0		1	26	3	1				1	5
0110 Canoga Park	15	2	1	0		1	19	2	1				1	4
1020 Lancaster	18	1	1	0		1	21	3	0				1	4
1360 Oxnard	13	1	1	0		1	16	2	0				1	3
							82							16
Region 6														
0140 LA/South Bay	19	3	1	0		2	25	3	1				2	6
1030 LA So. Central/Compton	14	2	1	0		1	18	2	0				1	3
1680 Crenshaw SC	36	4	0	1		3	44	6	1				3	10
							87							19
Region 7														
0010 El Monte	38	4	1	1		1	45	6	1	1			1	9
0030 Glendale	24	3	0	1		2	30	3	1				2	6
							75							15
Region 8														
1220 East Los Angeles/Hub City	24	3	0	1		1	29	3	1				1	5
1250 Norwalk	17	2	1	0		2	22	2	0				2	4
1550 Long Beach	13	2	1	0		0	16	2	1				0	3
							67							12
LA Ventura Total	256	32	8	5	4	16	321	38	8	1	0	0	16	63
Southern Administration	11	3	1	1	4	0	20	2	0	0	0	0	0	2
Region 9														
0390 Rancho Cucamonga	35	3	1	1		2	42	6		1			2	9
1610 Riverside West	36	4	1	1		3	45	6		1			3	10
							87							19
Region 10														
0420 Santa Ana	29	3	1	1		1	35	4		1			1	6
0740 Anaheim	20	3	1	0		2	26	3	1				2	6
							61							12
Region 11														
0480 El Centro	33	4	1	1		5	44	6	1	1			5	13
0810 Oceanside	17	2	1	0		3	23	3					3	6
1460 San Diego South	34	4	1	0		2	41	5	1				2	8
							108							27
Region 12														
0720 Santa Maria	19	2	0	1		0	22	3			1		0	4
1240 Visalia	11	1	0	1		1	14	1			1		1	3
1260 Fresno Service Center	25	4	1	0		2	32	4	1				2	7
1350 Bakersfield	26	3	0	1		5	35	5					5	10
							103							24
Southern Total	296	36	9	8	4	26	379	48	4	4	2	0	26	84

EPR: Employment Program Representative; EPM: Employment Program Manager; EDA: Employment Program Administrator; PI: Permanent Intermittent

**Attachment II – WIA Expenditure Chart
(Data from EDD).**

Projected WIA Revenue	Governor's Budget SFY 2007-08	May 2007 Revise SFY 2007-08	Change
State Allocation for WIA (Title I)	\$413.3	\$378.0	-\$35.3
Less: Formula Allocations to Local Areas	(\$351.3)	(\$321.3)	-\$30.0
Governor's Discretionary WIA 15% Funds	\$62.0	\$56.7	-\$5.3
Total Estimated Available WIA 15 Percent Funds	\$62.0	\$56.7	-\$5.3
61.35 WIA Administration and Program Services			
Employment Development Department	(\$1.4)	(\$1.3)	-\$0.1
California Unemployment Insurance Appeals Board	(\$0.1)	(\$0.1)	\$0.0
California Workforce Investment Board (CalWIB) Admin	(\$0.3)	(\$0.3)	\$0.0
Audit, Compliance and Fraud Prevention	(\$3.8)	(\$3.7)	-\$0.1
Labor Market Information Program	(\$1.5)	(\$1.4)	-\$0.1
Local Program Oversight and Technical Assistance	(\$8.2)	(\$7.9)	-\$0.3
Financial Management and Information Technology	(\$2.6)	(\$2.5)	-\$0.1
Policy Development and Partner/Program Coordination	(\$3.2)	(\$3.1)	-\$0.1
Local Occupational Information Group	(\$2.6)	(\$2.5)	-\$0.1
Capacity Building Activities	(\$3.9)	(\$3.8)	-\$0.1
Total WIA Administration and Program Services	(\$27.6)	(\$26.6)	-\$1.0
61.40 Growth Industries - High Wage/High Skill Job Training			
Community Colleges WIA Coordination/Program Integration	(\$0.6)	(\$0.6)	\$0.0
Regional Collaboratives	(\$1.3)	(\$0.6)	-\$0.7
Incentive Grants	(\$0.2)	(\$0.2)	\$0.0
High Wage/High Skill Job Training	(\$2.7)	(\$1.3)	-\$1.4
Total Growth Industries	(\$4.8)	(2.7)	-\$2.1
61.50 Industries with a Statewide Need - Expansion of Workforce			
Health Care - Nurse Education Initiative	(\$6.2)	(\$6.2)	\$0.0
Regional Collaboratives	(\$1.3)	(\$0.3)	-\$1.0
Critical Shortage Industries: Nurses/Healthcare/Construction	(\$4.9)	(\$3.1)	-\$1.8
Total Industries with a Statewide Need	(\$12.4)	(9.6)	-\$2.8
61.60 Removing Barriers for Special Needs Populations			
Offenders			
CDCR Female Offenders' Treatment and Employment	(\$1.1)	(\$1.1)	\$0.0
CDCR Parolee Services	(\$3.8)	(\$3.8)	\$0.0
EDD Parolee Services	(\$1.4)	(\$1.4)	\$0.0
Regional Collaboratives	(\$1.4)		-\$1.4
Incentive Grants	(\$0.5)	(\$0.5)	\$0.0
Services to Long-Term Unemployed	(\$1.7)	(\$1.7)	\$0.0
Veterans			\$0.0
Governor's Award for Veterans' Grants	(\$3.0)	(\$3.0)	\$0.0
Veterans/Disabled Veterans' Employment Services	(\$0.7)	(\$0.7)	\$0.0
Youth and Young Adults			\$0.0
Department of Education WIA Coordination/Program	(\$0.3)	(\$0.4)	\$0.1
Youth Grants	(\$2.0)	(\$2.0)	\$0.0
▶ At Risk/Youthful Offender Gang Prevention		(\$2.8)	\$2.8
Low Wage Earners (Mid-Career Minimum Wage Earners)	(\$1.3)	(\$0.4)	-\$0.9
▶ Special Needs Populations, or Youth	(\$1.3)		
Total Removing Barriers for Special Needs Populations	(\$17.2)	(\$17.8)	\$0.6
Summary			
WIA 15 Percent Governor's Discretionary Funds	\$62.0	\$56.7	\$5.3
61.35 WIA Administration and Program Services	(\$27.6)	(\$26.6)	-\$1.0
61.40 Growth Industries	(\$4.8)	(\$2.7)	-\$2.1
61.50 Industries with a Statewide Need	(\$12.4)	(\$9.6)	-\$2.8
61.60 Removing Barriers for Special Needs Populations	(\$17.2)	(\$17.8)	\$0.6
Estimated Balance	0.0	0.0	

"▶" Represents new / deleted program